

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NOS. 1999-515-C and 2005-224-C - ORDER NO. 2006-778

DECEMBER 15, 2006

IN RE: Docket No. 1999-515-C – Application of)	ORDER GRANTING
Flatel, Inc. d/b/a Telephone USA (fka: d/b/a)	EXTENSION OF TIME
Florida Telephone Company) for a)	FOR COMPLIANCE
Certificate of Public Convenience and)	
Necessity for Authority to Provide Local)	
Exchange Service.)	
)	
and)	
)	
Docket No. 2005-224-C – Petition of the)	
Office of Regulatory Staff for the)	
Commission to Order a Rule to Show Cause)	
as to Why Certificates of Public)	
Convenience and Necessity for Certain)	
Providers of Telecommunications Services)	
Should Not Be Revoked.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of the Office of Regulatory Staff (ORS) for a thirty (30) day extension of time for Flatel, Inc. d/b/a Telephone USA (fka: d/b/a Florida Telephone Company) (Flatel or the Company) to comply with the provisions of Order No. 2006-662.

In Order No. 2006-662, this Commission requested a report from ORS at the end of thirty days from November 3, 2006, notifying the Commission with regard to the Company's compliance with Commission rules and regulations and the request made by

ORS in the present Dockets that the Commission deny Flatel's request for reinstatement of its Certificate of Public Convenience and Necessity.

ORS states that Flatel has shown an effort to comply with this Commission's Order and ORS' requests by filing a number of documents with ORS, this Commission, and other state agencies. Flatel has filed an Annual Report for the calendar year ending December 31, 2005, and a Gross Receipts Report for the twelve month period ending June 30, 2006. However, there is a discrepancy between the Gross Receipts Report and Flatel's Universal Service Fund worksheet in terms of the amount of the Company's intrastate revenues. Additionally, although Flatel has provided copies to ORS and this Commission of its application for reinstatement with the South Carolina Secretary of State's Office, that agency is still reporting Flatel as a dissolved out-of-status corporation.

ORS reports that, to date, Flatel has still failed to comply with Commission regulations and Order No. 2006-662 in failing to provide any records or information clarifying its annual gross receipts earned in South Carolina for 2004 or its Universal Service Fund worksheet for 2004. In summary, ORS cannot determine, based on the documents provided, whether Flatel has continually provided service in South Carolina, and, if so, what its revenues were for that period and what, if any, additional taxes, fees, or contributions it owes to the State of South Carolina.

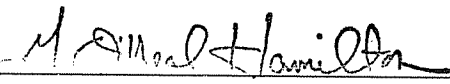
Based on Flatel's actions over the past thirty days in at least partially complying with the Commission's Order, ORS requests an additional thirty days extension of time to allow Flatel to fully and completely comply with the provisions and requirements of Order No. 2006-662. If, at the end of such period, Flatel has still failed or refused to

provide the ORS and this Commission with the requested information, ORS recommends that Flatel's Petition for Reinstatement be denied.

We have considered the ORS request. Flatel has partially complied with this Commission's Order, although, clearly, it still has much to do to get into full compliance. Accordingly, we grant an additional thirty (30) days from the date of this Order for Flatel to continue the process. We would request that ORS report back at the end of this period as to the Company's progress, and we will reassess the situation at that time.

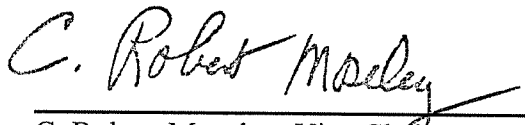
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)